

## Message Text

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ACTION EUR-12

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TAGS: EIND, PINT, CA

SUBJECT: U.S.-CANADIAN AUTO PACT AND IMPLICATIONS FOR PROVINCIAL  
POLITICS - MEDIA REACTION

REF: TORONTO A-47; TORONTO A-36

1. SIGNED ARTICLE BY JAMES LAXER IN TORONTO STAR WEDNESDAY, MAY 5,  
CALLS JOBS IN THE AUTOMOTIVE INDUSTRY A KEY TO THE NEXT ONTARIO  
ELECTION: "ALL THREE PARTIES WILL BE LOOKING FOR NEW VOTER SUPPORT  
AS THEY MAP STRATEGY FOR THE CRITICAL RUN-OFF PROVINCIAL ELECTION  
THAT IS LIKELY TO BE FOUGHT SOMETIME IN THE NEXT 12 MONTHS. ONE KEY  
TO THE NEXT ELECTION COULD BE THE FUTURE OF THE AUTO INDUSTRY IN  
ONTARIO." THE REASON FOR THIS, ACCORDING TO LAXER, IS THAT "AUTO  
INDUSTRY STAGNATION IS CENTRAL TO ONTARIO'S CURRENT WEAK ECONOMIC  
PERFORMANCE, AND THE HEALTH OF THE ECONOMY HAS EMERGED AS THE CHIEF  
ANXIETY OF CANADIANS SINCE THE INCEPTION OF THE FEDERAL GOVERNMENT'S  
CONTROLS PROGRAM..."

2. AUTHOR STATES THAT HAD CANADA PRODUCED CARS AND PARTS EQUIVALENT  
TO CANADIAN PURCHASES OF NORTH AMERICAN CARS IN 1975, MORE THAN 30,000

JOBS WOULD HAVE BEEN CREATED IN THE INDUSTRY, MOST OF THEM IN ONTARIO.

THIS BECOMING A MATTER OF INCREASING CONCERN IN COMMUNITIES, MOSTLY  
IN SOUTHERN ONTARIO, WHERE AUTO INDUSTRY IS A MAJOR EMPLOYER.

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3. IN ADDITION TO ASSEMBLY PLANT TOWNS SUCH AS OSHAWA, OAKVILLE, TALBOTVILLE, BRAMALEA, AND WINDSOR, AUTO PARTS INDUSTRY IS CRITICAL IN TOWNS SUCH AS LONDON, KITCHENER, ST. CATHARINES, MISSISSAUGO, AND HAMILTON. OF ONTARIO'S 125 PROVINCIAL CONSTITUENCIES, 30 HAVE LARGE CLUSTERS OF AUTO WORKERS (EXCLUDING METRO TORONTO CONSTITUENCIES WHICH

DO NOT REFLECT THE SINGLE-INDUSTRY SYNDROME). THESE COMPRISE 70,000 AUTO INDUSTRY WORKERS.

4. LAXER'S ANALYSIS OF SEPTEMBER '75 VOTING PATTERN SHOWS THAT LAST ELECTION WAS "CLOSE" IN 22 OF THE 39. EIGHT OF THESE ARE CURRENTLY HELD BY CONSERVATIVES, 8 BY LIBERALS, AND 6 BY NDP. HE CONSIDERS 12 TO BE "WIDE-OPEN THREE WAY CONTESTS", 8, TWO-WAY FIGHTS BETWEEN CONSERVATIVES AND LIBERALS, AND ONE EACH TWO WAY FIGHTS BETWEEN CONSERVATIVES AND NDP AND LIBERALS AND NDP. CONSERVATIVES COULD GAIN 13 SEATS BY PICKING UP ADDITIONAL 17,396 VOTES; LIBERALS 13 BY ADDITIONAL 12,956 VOTES; AND NDP 8 BY ADDITIONAL 12,718 VOTES.

5. "BEST CASE" FOR (A) CONSERVATIVES COULD LEAD TO FOLLOWING LINEUP IN LEGISLATURE: CONSERVATIVES 64, NDP 33, LIBERALS 28; (B) FOR LIBERALS: LIBERALS 49, CONSERVATIVES 43, NDP 33; (C) FOR NDP: NDP 46, CONSERVATIVES 43, LIBERALS 36 (PRESENT LINEUP: CONSERVATIVES 51, NDP 38, LIBERALS 36).

6. PARTY ASSETS AND LIABILITIES ON THIS ISSUE CHARACTERIZED AS FOLLOWS.

CONSERVATIVES: CAN CLAIM THAT ONLY THEY HAVE EXPERIENCE TO MANAGE INDUSTRIAL ECONOMY IN PERIOD OF CRISIS, BUT HAVE BEEN IN OFFICE THROUGHOUT HISTORY OF PACT. THEIR REPLY TO THIS IS TO SHIFT BLAME TO OTTAWA. LIBERALS: ALREADY HAVE CONFIDENCE OF LARGER PART OF SOUTHWESTERN ONTARIO, WHERE INDUSTRY CENTERED. BUT NEW LEADER SMITH HAS NOT "DEVELOPED CREDIBILITY ON ECONOMIC ISSUES" AND PARTY IS OPEN TO CHARGE OF BEING WEAK SISTER OF FEDERAL LIBERALS, "THE REAL CUCKPITS IN ONTARIO'S AUTO DILEMMA". NDP: HAS IMAGE OF PARTY CONCERNED CHIEFLY WITH SOCIAL PROGRAMS AND HAS NO APPROACH TO QUESTION OF INDUSTRIAL STRATEGY.

7. TAKING UP ISSUE OF AUTO INDUSTRY'S FUTURE WOULD BE "RELATIVELY NEW UNCLASSIFIED

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POLITICAL TERRITORY FOR ALL THREE PARTIES. IT WOULD REQUIRE VERY FORCEFUL PRESSURE ON OTTAWA TO PRESS FOR NEW SAFEGUARDS UNDER THE AUTO PACT."

8. AUTHOR IS HEAD OF POLITICAL SCIENCE DEPARTMENT AT ATKINSON COLLEGE, YORK UNIVERSITY, AND FORMER LEADER OF SO-CALLED WAFFLE GROUP, A ONCE-STRONG RADICAL LEFT WING FACTION IN THE NDP.

9. COMMENT: PRESSURE ON OTTAWA CITED IN PARA 7 ABOVE HAS ALREADY BEEN INITIATED BY CONSERVATIVE MINORITY GOVERNMENT OF ONTARIO, AS REPORTED IN REPAIRS, AND WILL CONTINUE. SAME ISSUE OF STAR REPORTS ON SPEECH ON THIS SUBJECT DELIVERED BY PROVINCIAL MINISTER OF REVENUE IN WINDSOR UNDER LEAD: "REVIEW AUTO PACT OTTAWA IS URGED. YLITALO

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